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SUBJECT: Ambassador's Introductory Meeting with
Transport and Communications Minister

[1](#)1. (U) Baghdad minimize considered.

Summary

[1](#)2. (SBU) Meeting with Transport Minister Binali Yildirim on October 1, the Ambassador emphasized U.S. interest in maintaining high safety and security standards in civil aviation. (Aldo, this is just a laundry list of what they discussed, and doesn't give any indication of the substance of the meeting. I'd suggest changing to highlight the 2-3 points Ambassador pressed on, then show Yildirim's response). Meeting on October 1, the Ambassador and Transport and Communications Minister Binali Yildirim discussed aviation and maritime issues, Iraq reconstruction, Turk Telecom privatization, commercial opportunities for U.S. companies and the Motorola case. Yildirim agreed that aviation safety and security are priority issues. He also provided information on upcoming tenders for modernization of Turkey's air traffic control system and for the privatization of Turk Telecom. Yildirim made the pitch for a Turkish role in transport and communications areas of Iraq reconstruction. The Ambassador raised the Motorola case, noting its negative impact on Turkey's ability to attract foreign investment. Binali agreed on the importance of attracting FDI, and said the GOT was taking steps to prevent the Uzans from putting their assets out of the reach of the GOT and other creditors. End Summary.

[1](#)3. (SBU) In their introductory meeting, the Ambassador and Transport and Communications Minister Binali Yildirim discussed a range of issues, including air safety and security, navigation in the straits, Iraq reconstruction, Turk Telecom privatization, commercial opportunities for U.S. companies and the Motorola case.

Aviation Issues

[1](#)4. (SBU) The Ambassador congratulated the Minister on his visit to Washington in September, including the signing of a technical assistance agreement with the FAA. He emphasized the USG interest in high standards for civil aviation safety and security. The Ambassador inquired about Turkish plans to modernize air traffic management, noting that U.S. companies are very competitive in this area. He also raised American Airlines application for a codeshare agreement with British Airways flights between London and Istanbul, which is awaiting GOT approval.

[1](#)5. (SBU) Yildirim agreed on the importance of maintaining high safety and security standards. He stated that the air traffic management modernization project would be awarded in a tender open to international companies, with a request for proposals to be issued by the end of 2003. The Minister told the Ambassador that Lockheed-Martin had met with him earlier in the day to discuss this project.

Congestion in the Straits

[1](#)6. (SBU) Yildirim noted Lockheed-Martin's work on a vessel management system for the Bosphorus/Dardanelles. The system, due to become operational at the end of

October, should help with the problem of congestion in the straits. Yildirim contended that Russian Government demands for greater throughput through the straits were unreasonable and could not be accommodated.

Iraq Reconstruction

17. (SBU) Yildirim raised the GOT's interest in transport and telecommunications cooperation in Iraq reconstruction, and suggested that Turkish partnership with the United States in Afghan reconstruction provided a good model for what could be done in Iraq. The Ambassador responded that he believed Turkish companies would be competitive in Iraq reconstruction.

Privatization

18. (SBU) In response to a question from the Ambassador, Yildirim stated that the GOT was preparing to announce its privatization plan by for Turk Telekom by the end of October, with the objective of holding an open tender in the first quarter of 2004. Noting that the GOT faced budget constraints in implementing its public investment program, the Ambassador suggested that the Transport Ministry might also examine the possibility of garnering private investment through Build-Operate-Transfer (BOT) arrangements. Yildirim agreed that this or similar arrangements might provide an opportunity to address priority projects.

Motorola

19. (SBU) Noting that Gen. Scowcroft had discussed this issue with the Prime Minister, the Ambassador raised Motorola's dispute with Telsim, and the severe negative publicity this had created for Turkey's investment climate. The Minister agreed that attracting foreign direct investment is one of Turkey's top priorities. He said that the GOT also had claims on the Uzan family in connection with the failure of Imar Bank, and that the GOT was doing everything it could to prevent the Uzans from siphoning assets to shelter them from legitimate claimants. Yildirim agreed with Motorola that Telsim should keep its mobile phone license, which would increase the chances of satisfying claims on the Uzans, at least in part.

Edelman